

Message Text

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PAGE 01 STATE 203361
ORIGIN SAB-02

INFO OCT-01 ARA-10 ISO-00 L-03 EB-08 INR-07 SS-15
SP-02 PM-05 SSO-00 INRE-00 /053 R

DRAFTED BY S/AB;WTPRYCE:JK
APPROVED BY S/AB:DHPOPPER
S/AB - MR. MOSS
L - MR. HANSEL
ARA/PAN - MR. CAMAUR
-----059328 252137Z /73
O 252057Z AUG 77
FM SECSTATE WASHDC
TO AMEMBASSY PANAMA IMMEDIATE

C O N F I D E N T I A L STATE 203361

E.O. 11652: GDS

TAGS: PFOR, PN

SUBJECT: TREATY LANGUAGE: ECONOMIC ARRANGEMENTS

REF: STATE 202608; PRYCE/WYROUGH TELCON 8/25/77

FOLLOWING IS REVISED GUIDANCE:

1. DELETE ALL BUT THE FIRST SENTENCE OF PARAGRAPH 4 (A) OF ARTICLE XIII AND SUBSTITUTE IN ITS PLACE THE FOLLOWING:
"THE RATE OF THIRTY HUNDREDTHS OF A UNITED STATES DOLLAR PER PANAMA CANAL NET TON, OR ITS EQUIVALENCY, WILL BE ADJUSTED TO REFLECT CHANGES IN THE UNITED STATES WHOLESALE PRICE INDEX FOR TOTAL MANUFACTURED GOODS DURING BIENNIAL PERIODS, THE FIRST PERIOD BEGINNING THREE YEARS AFTER ENTRY INTO FORCE OF THIS TREATY. ADJUSTMENT SHALL TAKE PLACE AT THE END OF EACH BIENNIAL PERIOD. ANOTHER METHOD OF ADJUSTMENT MAY BE APPLIED BY AGREEMENT OF THE TWO GOVERN-
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MENTS."

2. WE ARE NOT WILLING TO ACCEPT ADDITIONAL SENTENCE SUGGESTED BY PANAMANIAN FOR END OF ARTICLE 4 (C).

3. YOU SHOULD INFORM PANAMANIAN THAT WE PLAN TO FURNISH THEM A LETTER SETTING FORTH OUR UNDERSTANDING OF CERTAIN

TECHNICAL ASPECTS OF ARTICLE XIII. SUBSTANCE OF LETTER
WOULD BE AS FOLLOWS:

"WITH REFERENCE TO SUBPARAGRAPH 4 (A) OF ARTICLE XIII, THE
WHOLESALE PRICE INDEX FOR TOTAL MANUFACTURED GOODS OF THE
UNITED STATES IS UNDERSTOOD TO REFER TO THE SEASONALLY
ADJUSTED FIGURE FOR TOTAL MANUFACTURED GOODS FOUND IN
TABLE 3, "WHOLESALE PRICE INDEXES FOR SELECTED GROUPINGS
UNADJUSTED AND SEASONALLY ADJUSTED," OF THE MONTHLY REPORT
OF THE DEPARTMENT OF LABOR, "WHOLESALE PRICES AND PRICE
INDEXES." THE NEW RATE SHALL BE DETERMINED BY MULTI-
PLYING THE CURRENTLY APPLICABLE RATE BY A FRACTION THE
NUMERATOR OF WHICH IS THE INDEX NUMBER FOR THE MONTH IN
WHICH THE BIENNIAL PERIOD EXPIRES, AND THE DENOMINATORS OF
WHICH IS THE INDEX NUMBER FOR THE SAME MONTH TWO YEARS
EARLIER."

"IN
/DETERMINING UNDER SUBPARAGRAPH 4(C) THE SURPLUS, IF ANY,
OF REVENUES OVER EXPENDITURES FOR ANY YEAR, THE EXPENDI-
TURES MADE IN THE YEAR SHALL INCLUDE ANY OBLIGATIONS
INCURRED IN PREVIOUS YEARS AND REMAINING UNPAID." CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Concepts: AGREEMENTS, ECONOMIC CONDITIONS, NEGOTIATIONS, CANALS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Subject: TREATY LANGUAGE: ECONOMIC ARRANGEMENTS
TAGS: PFOR, PBOR, PN, US
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